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FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

D92-2266

For the quarterly period ended March 31, 1992

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition from _____ to _____
Commission file number _____

RESOURCE GENERAL CORPORATION
(exact name of registrant as specified in its charter)

Ohio	31-737351
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
145 East Rich Street, Suite 300, Columbus, Ohio	43215
(Address of principal executive offices)	(zip code)

Registrant's telephone number, including area code: (614)221-5834

(Former name, former address and former fiscal year, if changed since last report.)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

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Yes X No _____

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APPLICABLE ONLY TO ISSUERS INVOLVED IN PROCEEDING DURING THE PRECEDING FIVE

Indicate by check mark whether the registrant has filed, all documents and reports required to be filed by Section 12, 13, or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes _____ No _____ Inapplicable X

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. 1,079,820

RESOURCE GENERAL CORPORATION

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

RESOURCE GENERAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(Unaudited)

	March 31 1992	March 31 1991	Dec. 31 1991
Assets:			
Cash	$3.625	$87.031	$3.629
Accounts Receivable	1.056.779	764.617	1.233.174
Inventories	862.682	1.042.571	747.332
Notes Receivable-Director	41.374		41.474
Other Current Assets	5.657	49.049	(4.348)
Total Current Assets	1.970.117	1.943.268	2.021.261
Property and Equipment	1.778.481	1.648.606	1.772.656
Less Accum. Depreciation & Amortization	(351.965)	(232.646)	(320.221)
Net Property and Equipment	1.426.517	1.415.961	1.452.436
Land and Development Costs	574.795	536.728	554.629
Other Investments	11.203	10.000	10.876
Other Assets	182.667	251.053	196.517
Total Non-Current Assets	768.665	797.781	762.022
Total Assets	$4.165.298	$4.157.009	$4.235.719

The accompanying notes are an intergral part of the financial statements.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

RESOURCE GENERAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(Unaudited)

	March 31 1992	March 31 1991	Dec. 31 1991
Liabilities:			
Accounts Payable	$1,004,901	$1,220,942	$1,048,255
Notes Payable	1,062,707	1,526,682	1,499,080
Accrued Expenses and Taxes	122,147	88,719	153,361
Deferred Revenue	183,481	105,743	234,696
Total Current Liabilities	2,373,237	2,942,085	2,935,392
Long Term Portion-Notes Payable	877,388	426,741	365,409
Total Liabilities	$3,250,625	$3,368,825	$3,300,801
Minority Interest		-	28
Total Minority Interest	(67)	-	28
Shareholder's Equity			
Common stock, no par value, authorized 3,412,000 shares in 1992, and 1991; 1,079,820 shares issued and outstanding in both 1992 and 1991; stated value of $.01	$10,798	$10,798	$10,798
Additional Paid in Capital	1,230,603	1,230,603	1,230,603
Stock Subscription Receivable	(10,000)	(10,000)	(10,000)
Retained Earnings (Deficit)	(316,661)	(443,218)	(296,511)
Total Shareholder Equity	$914,741	$788,183	$934,890
Total Liabilities & Equity	$4,165,298	$4,157,009	$4,235,719

The accompanying notes are an intergral part of the financial statements.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

RESOURCE GENERAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME
(Unaudited)

	Three Months Ended March 31	
	1992	1991
Net Sales	$1,111,278	$1,315,749
Cost of Goods Sold	770,938	989,539
Gross Margin	340,339	326,210
Selling, General and Administrative Expense	341,743	281,258
Operating Income (Loss)	(1,403)	44,953
Other Income (Expense)		
Interest	(42,750)	(59,515)
Oil and Gas Royalties	6,503	925
Other	15,707	4,378
Gain on Settlement	3,938	51,909
Total Other Income (Expense)	(16,603)	(2,303)
Income Before Taxes & Extraordinary Items	(18,006)	42,650
Minority Interest	95	
Provision for Taxes	2,238	-
Net Income	($20,149)	$42,650
Weighted average number of Shares Outstanding	1,079,820	1,079,820
Income (Loss) per Common Share:		
Income (Loss) before extraordinary items	($0.02)	$0.04
Earnings (Loss) per Common Share	($0.02)	$0.04

The accompanying notes are an intergral part of the financial statements.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

RESOURCE GENERAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOW
(Unaudited)

	Three Months Ended March 31	
	1992	1991
Cash Flow from Operating Activities:		
Net Income (Loss)	(20,149)	42,650
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Recovery of Reserve for Litigation	-	-
Depreciation and Amortization	31,744	31,653
	11,595	74,303
Changed in certain assets and liabilities:		
Decrease (Increase) in Accounts Receivable	176,395	(92,543)
Decrease (Increase) in Inventory	(115,350)	(268,804)
Decrease (Increase) in Other Assets	(10,005)	(10,391)
(Decrease) Increase in Accounts Payable	(43,354)	416,595
(Decrease) Increase in Accrued Expenses and Taxes	(31,214)	(6,376)
(Decrease) Increase in Advanced Billings	(51,214)	(79,507)
Net Cash Used in Operating Activities	(74,743)	(41,026)
Cash Flows from Investing Activities		
Capital Expenditures	(5,825)	(96,250)
Increase in Other Investments	(6,643)	3,277
Net Cash used in Investing Activities	(12,468)	(92,972)
Cash Flows from Financing Activities		
Increase in Notes Payable	75,606	80,368
Payment of Litigation Settlement		
Net Cash Provided by Financing Activities	75,606	80,368
Net Increase (Decrease) in Cash	(4)	20,672
Cash, Beginning of Period	3,629	66,353
Cash, End of Period	3,625	87,026

Resource General and its Subsidiaries paid $42,750 in interest expense in 1992, and $59,515 in 1991.

The accompanying notes are an intergral part of the financial statements.

PART I FINANCIAL INFORMATION

ITEM 2. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. BASIS OF FINANCIAL PRESENTATION

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generaaly accepted accounting principles for complete financial statements.

The accounting policies followed by Resource General Corporation. (the company). are set forth in Note 1 to the financial statements in the Company s 1991 Form 10-K.

In the opinion of management. the accompanying unaudited consolidated financial statements reflect all adjustments which are necessary for a fair presentation of the financial results. The results of operations for the three month periods ended March 31. 1992 and March 31. 1991 are not necessarily indicative of the results to be expected for the full year.

Note 2. INVENTORIES

Inventories are valued at lower of cost (first-in. first-out basis) or market. Composition of inventories at March 31. 1992. December 31. 1991 and March 31. 1991 were as follows:

	Mar 31 1992	Dec 31 1991	Mar 31 1991
Raw Materials	$ 305.173	$ 300.909	$ 279.424
Work In Process	557.509	446.423	763.147
Finished Goods			
	862.682	747.332	1.042.571

PART I - FINANCIAL INFORMATION

ITEM 2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 3. INCOME TAXES

The company s policy is to provide deferred taxes for differences in accounting methods between tax and financial reporting. Income taxes are only provided to the extent that they exceed cumulative net loss carryforwards.

As of January 2, 1991 the company has a remaining net loss carryfoward at $448,000. The tax provision, for both tax and book, as of March 31, 1992 is adequate for the tax obligation.

PART I - FINANCIAL INFORMATION

ITEM 3. MANAGEMENT S DISCUSSION

RESULTS OF OPERATIONS

The company experienced a 15% decline in sales for the first quarter in 1992 as compared to the same period of 1991. The sales decline was the result of a drop in incoming orders in the last half of 1991, which affects shipments three to six months later. The reductiuon in orders reflects the reduced demand in orders for the machine tool industry in general. The users of machine tools are primarily durable goods manufacturers and U.S. automotive producers, all who experienced a drop in business because of the recession. The result was a reduction of their orders for machine tools.

Sales of hydraulics presses comprise 91% of the $1,111,278 sales for the period. The company s line of insert molding machines generated 9% of sales. It is expected by management that the total sales for the year will be comprised of a higher proportion of insert molding machines. Of the company's present $1.4 million backlog, insert molding machines comprise roughly 50% of the total.

The company expects shipments to drop by $2 million in 1992. However, the company also expects the level of incoming orders to be in excess of $7 million for the year. Frequently there is a lag period of six to ten months between the time an order is received and the time it is shipped. This long lag period results in part from the extremely efficient production which led to extensive engineering required before the production can begin.

As the result of several profitable orders, the company was able to increase its gross margin by 3%. As result, while shipments drop by $204,000 gross profit was only reduced by $40,000. The company's SG&A was increased by $64,000. The primary components of this increase in SG&A was $31,555 in salaries, taxes and benefits, $15,000 increase in legal fees, and depreciation expense increasing by $11,000. The company's interest expense decreased by $18,259 due to a ouerease in the prime rate as compared to the same period last year. The company believes as a result of the effects of the recession on its primary customers that its shipments for the year will drop by $2 million. The company does not expect the reduction in incoming orders to last beyond the first quarter in 1993. All indications are that the company's primary customers have delayed their need for new equipment rather than cancel it altogether.

LIQUIDITY AND CAPITAL RESOURCES

The company s working capital position is a deficit $403,000. The company s record sales of $6.5 million in 1991 has severly strained its capital resources. The company relies heavily on debt and creditors to provide the working capital necessary to fund operations. Debt and trade payables comprise 70% of the company's capitalization. While equity is 22% of the total capitalization.

Relationships between the company's vendors and its bank remains extremely positive. The company has been able to use a combination of its own resources plus suppliers and creditors to fund its operations for the past five years.

The Company's Managers and Board of Directors recognize a need, however for additional capital. The company is exploring with investment bankers different alternatives for raising additional capital for the company. Management and Board of Directors of the corporation intend to have a plan in place to raise equity by the end of the third quarter 1992.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS - Not Applicable

ITEM 2. CHANGES IN SECURITIES - Not Applicable

ITEM 3. DEFAULTS UPON SENIOR SECURITIES - Not Applicable

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS - Not Applicable

ITEM 5. OTHER INFORMATION - Not Applicable

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

a). Exhibits - Not Applicable

b). Reports on Form 8-K - Not Applicable

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: June 4, 1992

By: Lyman Brownfield
Lyman Brownfield, President

Date: June 4, 1992

By: Charles T. Sherman
Charles T. Sherman,
Vice-President, Operations